

1 JUN 1978

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MEMORANDUM FOR: Executive Advisory Group Members

SUBJECT : Minutes of Meeting, 23 May 1978--Delegation of
Agency Contracting Authority (A/IUO)

1. (A/IUO) At the outset of the discussion, it was generally agreed that recent memoranda by Mr. Dirks and Mr. McDonald (D/OL) on this subject reflect substantial agreement on the merit of continuing separate contracting authority for national programs. In their memoranda, both offered approaches for better interaction between DDS&T and DDA/OL in continuing the separate arrangement.

2. (A/IUO) Mr. Carlucci, however, expressed his desire that, rather than achieving an accommodation between the two offices, we seek a better system of checks and balances which will ensure not only the propriety of separate authority procedures but the continuing security and efficiency of our contracting performance as well.

3. (S) In the discussion which followed, it was agreed that a new DDS&T Contract Review Board would include the D/OL in his role as senior procurement policy officer for CIA. It was also agreed that a method be devised for overcoming current difficulties in pulling together, more quickly, centralized information from data files serving the contracting/procurement needs of Agency and national programs. Development of an improved checks and balances system must also eliminate other problems, for example:

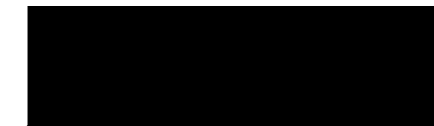
--OL contracting officers assigned to the separate contracting authority for national programs (DDS&T) have sometimes felt inhibited about communicating directly with the D/OL.

--The quality of OL contracting officer performance has become more a judgment of the DDS&T than of the D/OL. The senior contracting officer's performance is rated by the DDS&T program manager with little input from the D/OL. The senior contracting officer, in turn, rates contracting officers assigned to him. This inhibits D/OL responsibility for command, control, and career development of his own personnel. D/OL membership on a DDS&T Contract Review Board should be a major step in enabling the D/OL to make informed judgments (substance and procedure) on his officers and contribute meaningfully to their performance ratings.

4. (A/IUO) The DDS&T asked that in the process of developing improvements in our contracting system, another careful look be given to policies affecting both Agency and national programs to prevent potential conflict or dual policy. (Relatedly, he stated that he has no objection to OL/Procurement Management Staff review of DDS&T contracting procedures.) Mr. Carlucci said that if policy differences are found to exist which cannot be reconciled, they should be presented to him with a request, accompanied by justification, for policy exception.

5. (A/IUO) Mr. Carlucci asked that the DDS&T and DDA/OL collaborate in developing the improved system and prepare a paper for his consideration (and signature) no later than 2 June 1978.

6. (A/IUO) It was noted that the work to be done is not likely to result in countering Task Force recommendations already accepted by the DCI pertaining to security in national programs.



James H. Taylor
Secretary
Executive Advisory Group

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cc: ADDA
D/OF
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 (O/IG)